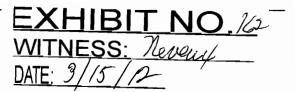| From:	Neveux, Edward
To:	Anders, Volker; Budesheim, Torsten
CC:	Killingsworth, Paul; Bagnoli, Gianluigi
Sent:	6/18/2007 6:24:08 AM
Subject:	RE: SAPBO at Hodell-Natco

EXHIBIT NO. _16_

WITNESS: _Neveux_

DATE: _3/15/12_

Volker,

This was spoken about between Dan Kraus, Gianluigi and myself last week. The issue with this particular customer is that they started with a data set that was well out side/greater than the "high end" data set tested for Business One 2005A SP01 in Israel. They started with SAP Business One without any add-ons in 2005A SP01 with Business Partners over 100,000 and Items over 100,000 records. Performance issues exist in Business One by itself as stated by development with this magnitude of data (no add-ons running). Unless we know that SAP Business One in 2007A has addressed this issue with large data sets, ie, we have known benchmarks, any add-on using the DI API, as both RB and In Fight, will have the same performance issues with this volume of data which is only going to increase. The original performance issues at this customer started with simply a backup of the customers data being tested prior to go live and with ONLY Business One installed, no add-ons. The partner was immediately aware of the performance issues with Business One at that point.

Gianluigi did mention last week that if needed we could review the add-on, but RB is already a certified SAP Solution so I am not sure that will be fruitful as well as In Fight could have a review, but again, unless the performance issues with large data sets of this magnitude are handled in Business One 2007A, there is nothing we can currently recommend to make performance better as this core issue is a Business One issue in it's own base code.

As far as recommendations on their environment as far as the network, hardware, operating systems, etc. that would be someone from the Consulting team or Manfred's team which it seems Paul is asking when he says "1) evaluate their environment and 2) provide recommendations for improvements."

Eddy

-----Original Message-----
From: Anders, Volker
Sent: Monday, June 18, 2007 4:09 AM
To: Neveux, Edward; Budesheim, Torsten
Cc: Killingsworth, Paul
Subject: AW: SAPBO at Hodell-Natco

Hi Edward, hi Torsten,
Forgive me if I am totally wrong - but are these cases where you could assist as well?
Thanks Volker

@Paul - regarding 2005 vs 2007, performance, Commitment, ...; we going to run so called "build confidence Session".
The one for US is scheduled for July 12. More communication will come soon.

Regards Volker

-----Ursprüngliche Nachricht-----
Von: Killingsworth, Paul
Gesendet: Mittwoch, 6. Juni 2007 18:16
An: Hassler, Frank
Cc: Anders, Volker
Betreff: RE: SAPBO at Hodell-Natco

Hello Frank,

The PPT was extremely helpful, thanks!

One more question... (this one may not be as easy to answer...)

Due to the enormous performance struggles this customer underwent after going-live, they have asked that SAP and the partner provide them with a week of onsite technical assistance to 1) evaluate their environment and 2) provide recommendations for improvements.

The customer is using the Radio Beacon Add-on as well as a customization developed by their partner, LSi, called In-Flight.

Do you have a resource that you would be willing and able to provide for this customer onsite?

Again, many thanks Frank.

Cheers,
Paul

-----Original Message-----
From: Hassler, Frank
Sent: Wednesday, June 06, 2007 1:34 AM
To: Killingsworth, Paul
Cc: Anders, Volker
Subject: RE: SAPBO at Hodell-Natco

Hello Paul,

This is the PPT from a Web Ex / LPE session that has been given a few month ago.

Let me know if this helps.

Regards,
Frank

-----Original Message-----
From: Killingsworth, Paul
Sent: Dienstag, 5. Juni 2007 18:11
To: Hassler, Frank
Cc: Killingsworth, Paul
Subject: FW: SAPBO at Hodell-Natco
Importance: High

Hi Frank,

I don't know if or how familiar you are with the history here... Nevertheless, as you can read below, I need to communicate with the customer regarding expectations for speed improvements in B1 2007A ASAP.

I think we all understand the distinct natures of test systems vs. actual production systems; however, I need a message back to the customer.

1. Do you have any concrete data on speed improvements?
2. Do you have any "soft" data or experiential evidence that can be communicated?

I want to make sure we set the customer's expectations appropriately.

Please don't hesitate to let me know if you would prefer to speak on the phone. I'd be happy to give you a call at your convenience.

Best Regards,
Paul

-----Original Message-----
From: Kraus, Daniel
Sent: Tuesday, June 05, 2007 9:51 AM
To: Killingsworth, Paul
Subject: FW: SAPBO

Please own this and overcommunicate with Kevin. I had asked that you chase down the 2007 performance improvements vs 2005. Frank Hassler can help with that. We also need to determine if we are going to put someone on site and if so, who.

SAP00003289

Dan

Dan Kraus
Vice President, SAP Business One
T +1 978 562-4161
Assistant: Lori Lawson - lo.lawson@sap.com - 416-302-8394

-----Original Message-----
From: Kevin Reidl [mailto:kreidl@hodell-natco.com]
Sent: Tuesday, June 05, 2007 10:33 AM
To: dlowery@lsistl.com; Kraus, Daniel
Cc: oreidl@hodell-natco.com
Subject: SAPBO

Gentlemen,

It has been two weeks since our last discussion (on 5/22/07). I never heard
back from either of you regarding these follow-up items:

1. When SAP will be on site to conduct their assessment of system
performance.

2. How many users can be supported on SAPBO 2007.

3. What the performance improvements are with SAPBO 2007 vs. 2005.

We discussed that the latest improvements brought us 20% towards our goal,
with 80% left to go. All parties had responsibility to work towards the
remaining 80%. Knowing that we may never get to 100%, 60% or 70% may prove
adequate....but we need to get there first.

>From our standpoint, this system is far less than adequate. As our industry
peers in fastener/industrial distribution seek my advice on this system, I
have not been returning their phone calls in hope that progress would be
made. However, word is spreading in our industry on the inadequacies of
this system (as we have 180 people active in our industry each day, and I
cannot control what each of them is communicating to our industry peers).

Following is a list of items that must be completed by the end of June. In
the event they are not, we will be turning communications over to our legal
advisors, and I will begin returning the phone calls of industry peers
seeking my advice on this system.

1. Both LSI and SAP to have people on site for a minimum of 1 week to do a
full analysis on the performance of the SAPBO and InFlight systems. It
would benefit you both to have people on site to see how slow and
unresponsive this system is. I urge you to sit next to our users and feel
their pain. From this, further opportunities for performance improvements
should be mapped out.

2. LSI to have people on site at all Hodell-Natco locations to re-train
users. As procedures continue to change, due to the ever-changing nature of
the InFlight program, our users have to be re-trained on how to do their
jobs correctly. It seems each time we outline a procedure on how to
accomplish something, the InFlight program is modified and we must figure
out how to modify the procedures and re-train each user. This process needs
to be initiated and managed by LSI, as we "purchased" a program that was
supposed to work.

3. All add-on functionality (which we paid for) must be working. To
include: faxing documents, emailing documents, XL Reporter, DTW (Data
Transfer Wizard), etc. To my knowledge, none of these are fully functional
at this time.

4. ALL InFlight bugs to be fixed, fully tested, and installed.

SAP00003290